

modernize Medicare to cover the way health care is provided today.

We have the most wonderful health care system in the world. I know a gentleman who takes a pill once a month instead of having open heart surgery. The pill costs \$400. Medicare will cover the surgery. Medicare will not cover the pill. We have got to change and modernize Medicare so that our seniors are not left in the situation of getting up in the morning and saying do I eat today, do I get my breakfast, or do I get my medicine? Too many seniors in this country find themselves in that situation.

I have been conducting a prescription drug fairness campaign in Michigan now for a year. I set up a hotline, have asked seniors to write, to call, to share with me their situations so we can put names and faces on this problem and encourage, plead and beg with this Congress to act now.

I would like today to once again read a letter. This one is from my hometown of Lansing. Jackie Billion wrote to me, and I would like to share with you this letter:

"Dear Debbie:

"I live alone in a subsidized ground floor apartment. I'm 70 years old and have osteoporosis, rheumatoid arthritis, osteoarthritis and fymalogy. I also have macular degeneration. I'm legally blind in the left eye. Last week, I spent 2 days at Beaumont Hospital.

"I receive \$645 a month and quite often I have to decide whether to get some of my prescriptions or eat. I hope and pray that seniors will receive prescription drug coverage soon.

"Thank you, Jackie Billion."

I thank Jackie for sharing these comments with me and for speaking out on behalf of literally millions of seniors that have the same situation that she has today.

This Congress has the opportunity with the best economy in a generation to fix this if we have the political will to do it. If we are willing to stand up to those who are fighting us, who are not understanding or caring about what is happening to Jackie Billion, we can fix this and modernize Medicare for our seniors and for those who will be the next generation of seniors. I would call on the Congress again to take this opportunity, the best economy in a generation, budget surpluses that we have not seen in my lifetime, and place a priority on modernizing Medicare to cover costs of prescription drugs so that seniors like Jackie Billion will not have to worry about choosing between their meals and their medicine.

LOOKING BACK AT 6 YEARS OF REPUBLICAN CONTROL IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Min-

nesota (Mr. GUTKNECHT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, we rise tonight to talk a little bit about what has happened in the last 6 years, and I am delighted to have with me tonight one of my colleagues who came to the Congress with me in 1994. I think once in a while it is important to remind our colleagues where we were in 1994, what was happening here in Washington, what was happening with our government, when the American people said, in effect, enough is enough.

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They sent 73 new Republican freshmen to this Congress to begin to change the way Washington did business. We had with us a Contract with America, not a Contract on America, some of the critics like to say, but it was a Contract with America. And we said if you will elect us to the Congress, here are some things we are going to do.

I am happy to report that virtually all of those planks in that contract with the American people have now come to fruition. In fact, we kept every item. We kept our bargain on every one of those items. We had a vote on a few occasions. There were not the constitutionally required majorities, and so those have not become law, for example, with term limits. But on virtually every other item.

One of the first items on that contract was to make Congress live by the same laws as everybody else, and perhaps later this evening, the gentleman from Connecticut (Mr. SHAYS) will join us and talk about that particular plank. I am privileged tonight to have one of my colleagues who came with me in 1994, the gentleman from Oklahoma (Mr. WATTS); and we have really come a long ways.

Let me just talk about the budget side of the equation, and I will talk about this more after the gentleman from Oklahoma (Mr. WATTS) leaves us. But when we first came to Washington, the Congressional Budget Office, and I have a copy of this, if any Member would like a copy of what the Congressional Budget Office said, our official scorekeepers were telling us back in 1994 and 1995, they were telling us that the on-budget deficit for each of the years 1994, 1995, 1996, 1997, 1998, 1999 and 2000 was going to be \$208 billion, \$176 billion, \$207 billion, \$224 billion, \$222 billion, \$253 billion and \$284 billion. Now, that was the deficit that they were projecting when we came to Washington in 1994.

That did not include all of the money that the Congress was regularly taking from Social Security to spend on other items; if we include that, we are actually looking at deficits of \$259 billion growing ultimately to \$381 billion by fiscal year 2000.

That is where we were back in 1994, and what the American people said in that election is listen, there must be a better way. Every family, every business, every association has to balance its budget and somehow they figured out a way to make the income meet the expenditures. Every family does it every week.

It really is time for the Federal Government to do the same, and so they sent some of us there and said, listen, if you do nothing else, at least balance the Federal books.

Mr. Speaker, I am happy to report that we not only have balanced the Federal books, we are now looking at enormous deficits. We will talk more about that. I would like to yield to my friend and colleague, the gentleman from the great State of Oklahoma (Mr. WATTS) to talk just a little bit about where we were, where we are and hopefully where we are going with this Congress.

Mr. WATTS of Oklahoma. Mr. Speaker, I thank my friend from Minnesota (Mr. GUTKNECHT) for yielding to me. And I am appreciative of the fact that the gentleman has chosen this time tonight over the next hour to talk about what we have done in Washington and, although, he and I are Republicans, the wins, the victories that we have seen over the last 5½ years really are not Republican victories. They have been victories for the American people.

I recall back when we were sworn in. I was sworn in on January 9, 1995, my colleagues were sworn in 4 days or 5 days before I was, because of some obligations I had back home, but when I was sworn in on January 9, I believe, and I think the gentleman has the numbers there, that the deficit of that year in 1995 was about \$285 billion, somewhere thereabouts, \$285 billion or \$300 billion. Those were the deficits, and deficits means that we have spent out a whole lot more money than we take in and we create a deficit position.

As the gentleman has said, we came in and wanted to do things differently. We felt like Washington could be better, and it is interesting the Contract with America items that the gentleman has mentioned, about 80 percent of those items today are law.

Although people campaign and they talk about the evils of the Contract with America, 80 percent of the Contract with America today is law and a Democrat President signed those things into law.

A balanced budget amendment, we did not pass that. We did not pass term limits, but I think we both voted for term limits and both voted to say that we should amend the Constitution, have an amendment to force Congress to do about what 39 different States around the country have to do, by law they have to balance their books. They cannot spend out one dime more than

they were appropriated or that the legislators appropriated.

So what we have done over the last 5½ years, we do have a balanced budget today. We do not spend out more money than we take in. Welfare reform, we were beaten on that, because we wanted to reform welfare to say, let us not define compassion by how many people we can have on food stamps and AFDC or in public housing, instead let us define compassion by how few people are on food stamps and AFDC and public housing because we have helped them climb the ladder of economic opportunity.

Today 6 million more Americans are in the workplace because we chose to define compassion in a different way.

We cut committee staff by a third for the first time, I understand, in the history of the House of Representatives. We audited the books of the House of Representatives. If Members will recall, back when the gentleman and I were freshman, every morning we would have people pushing these little carts around that had these buckets of ice on them that would give Members a bucket of ice. I thought this was somewhat unusual. The gentleman thought it was unusual, because we had refrigerators inside of our offices that keep our Nehi peach and a Nehi grape cold, and these pockets of ice would melt.

These were no good. So we looked into this, and I think it was costing the taxpayers something like \$600,000 a year. We cut it out. We eliminated it. We said that is wasting taxpayers' dollars. I think the people back in the fourth district of Oklahoma would be pretty proud and folks in the gentleman's district back in Minnesota would be proud to know we did not have to put together a task force to do that. We just eliminated it. We said Congress, the American taxpayers are paying for that. We do not need that.

We have given tax relief, \$500 per child tax relief. We have done that. We paid down our public debt by \$350 billion. Now, 5½ years ago when the gentleman and I came, that was just a theory that some day we would start down that track of paying down our public debt.

We have done all of these things over the last 5½ years, which these things are good for the American people. The gentleman mentioned about stopping the raid on the Social Security and Medicare surplus. We think that is important.

Why is that important? We believe that the FICA fellow who takes money out of your payroll, he ought to do with it what he says he is going to do with it, and that is set aside nothing but for Social Security and Medicare.

Mr. GUTKNECHT. If the gentleman would yield, one of the comments that I made, and I think that the people in my district really appreciated this, was that when we started talking about

taking money from Social Security and spending it on other things, what I said was, when the American people allowed the Federal Government to get into their paychecks to pay for Social Security, they never told the Federal Government that they could keep the change. That is what was happening.

The Federal Government was keeping the change and spending it on other programs. And 2 years, thanks to your leadership and the leadership of others in the House, we finally stopped that abuse. For the first time, we are making certain that every penny of Social Security taxes goes only for Social Security or to pay down debt.

As the gentleman has mentioned, we paid down \$350 billion of debt and, as a matter of fact, I believe by the end of this fiscal year, that number will be greater than \$400 billion that we will have paid down.

Mr. KINGSTON. Mr. Speaker, if the gentleman would yield, I wanted to point this out. Jimmy Carter wrote a book in the 1970s called *Why Not the Best?* And he talked about rethinking. So many of the things that we do routinely in government, and I think that even though we had philosophical differences of what that blueprint should be, that is what, in fact, happened in 1994.

I think it took many years with ideas like the challenge of Jimmy Carter, *Why Not the Best*; and then Ronald Reagan saying, good morning America, bringing out the best news. Now, in this day of great prosperity, the day of great medicine, great technology, great entertainment, great food supply, we still need to get to that next level in a government where our priorities have been very focused in the last 5 years. We protect and preserve Social Security. We protect and preserve Medicare. Then we pay down the debt for the next generation, and then the change.

If we go to WalMart and we buy \$7 hamburger and we give \$10 at the counter, they are going to give us \$3 back. The Federal Government, if we get a congressional cashier, he is going to keep the change and give us some more nails and all kinds of things we did not ask for. We are stopping that.

To go after great communities, where the kids can walk the streets late at night not having to worry about drug pushers and crime. Education, where teachers in the classroom are getting the money, not the bureaucrats in Washington. Just think about every dollar we spend on education, 50 cents never leaves this city.

That is something we have got to change. Our constituents would never put up with that in the private sector. It is outrageous.

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the gentleman from Georgia (Mr. KINGSTON) for sharing those thoughts with us, because I think what

the gentleman has said, what the gentleman from Minnesota (Mr. GUTKNECHT) has talked about in getting us into this special order this evening, I think it is critical to look at where we have come from to see where we are going. Had we not made those tough decisions 5½ years ago when we first came, putting more people in the workplace today. We balanced our budget. We do not spend out more money than we take in. We have sent more education dollars home. We stopped the raid on the Social Security surplus and on the Medicare surplus.

We have cut our committee staff by a third. We have given tax relief. We paid down our public debt, because we have done all of these things. Now we are in a position over the next 8 years to 10 years that we are talking about massive surpluses. No longer are people talking about deficit spending any longer.

We are talking about massive surpluses, and over the next 10 years, we really have an opportunity to do some wonderful things to secure the future of America. Just think, just imagine, over the next 10 years, because of decisions we made early on, we have surpluses that we can find a cure for cancer. We can find a cure for sickle cell anemia and diabetes and Alzheimer's. This is within our reach.

Mr. Speaker, consider an America that we had paid off our debt. I mean, that is within our reach. Consider an America that every child in America gets up every day and they went to a venue of learning that was safe, that taught them how to read and write, do the arithmetic, have the computer skills necessary to compete in the global marketplace, imagine that kind of an America. Imagine an America that was safe from foreign enemies, because our military was strong and people's retirement security was safe.

They could retire at their retirement age with security. This is within our reach, thanks to, in large part, by what we have done and all the names we went through, what we were called and all the things that we had to go through to get here, but we are here, and now if we will manage it properly, not go on some wild goose chase of government spending, these things really are within our grasp over the next 8 years to 10 years.

Finding the cure for these many illnesses out there, the many diseases that plagues the greatest Nation in all the world. I said it time and time again, as I close, this place that we all call home and the rest of the world calls America, it is a pretty fascinating place.

Mr. GUTKNECHT. That is right.

Mr. WATTS of Oklahoma. I appreciate what the gentleman from Georgia (Mr. KINGSTON) said, and we should be about being our best, not our worst, giving our most, not our least, understanding the importance of who we are.

□ 1945

Again, I am delighted in some very, very, very small way that folks in the fourth district of Oklahoma that they have given me an opportunity to be a part of what we have seen happen as Members of Congress over the last 5½ years.

Mr. KINGSTON. One thing that he has done a lot for, that I think that it is important to talk about in terms of getting everybody at the table, because when we were passing welfare reform we were accused of pushing children out in the street, pushing women out in the street. The President vetoed the bill twice, and then as soon as it turned out to be a success, 40 percent of the people on welfare got jobs and liked those jobs, then the President went around saying it was his bill, which is fine. If that is the way the system works, let us do another bill like that.

What I think the gentleman has been good at is getting everybody in on it, pushing for an education system where no child is left behind and saying, as the gentleman has pointed out, America's prosperity is the envy of the world, but there are people in the world who are not sharing in that prosperity. We are saying we want to invite them to the table, and we are going to show them a pathway to the table, and we are going to help them get to the table so that they too can enjoy this great land and negotiate for a better America. I think that is something that we do not talk about.

The gentleman has reached out to the children who are at risk, and I think that that is something that we need to always keep in mind for the next generation.

Mr. WATTS of Oklahoma. George Bush calls it prosperity with a purpose. We are experiencing unprecedented prosperity in America. The Dow is going through the roof. NASDAQ is doing very, very well. These days if one is older than 30, they are too old to be a billionaire in America.

It is fascinating the wealth that we see, and I think that if our objective is just to make money, that is a bad purpose. Prosperity with a purpose says that, yes, I want to take the wealth that we have in America and make sure that those who are left behind, that in spite of what skin color they are, in spite of what party they are in, we can go to them and say these are my values, these are my principles, how can we help accomplish what they want to accomplish in life?

This prosperity that we are experiencing, we have an opportunity to do wonderful things for the United States of America, but I think we have to be disciplined enough, composed enough, that we do not get dollar signs in our eyes and say let us spend, spend, spend, spend, spend. Let us grow, grow, grow, grow, grow. We have to have a purpose, I believe, in the wealth that we have

created in America and in the surpluses that we have that we are experiencing today.

I think we have to have purpose in our surpluses. If we do, boy, we will surely create that shining city on a hill.

I thank the gentleman from Minnesota (Mr. GUTKNECHT) very much for letting me participate this evening.

Mr. GUTKNECHT. Mr. Speaker, I want to thank the gentleman from Oklahoma (Mr. WATTS) because I think in many respects he has done the best job of communicating what it was we were trying to do. As the gentleman from Georgia (Mr. KINGSTON) mentioned, welfare reform was not about saving money. I think to a large degree that was miscommunicated by so many people.

Welfare reform was not about saving money. It was about saving people, because we all knew that there were too many people that were being trapped in an endless cycle of dependency and despair, and because of our welfare reforms we allowed States and governors and legislatures to decide what it was that they wanted for their people and how it was that they could use the instruments of government to encourage work, to encourage personal responsibility, to encourage families to stay together, and that is what welfare reform was all about.

The great news is, since we passed that bill, gave that authority back to the States, we have seen the welfare roles in the United States drop by 50 percent. That is a great story, not in terms of how much money it will save but most importantly how many people it saves.

One of the stories that I love to tell, and many of us do visits to our local schools, I was at one of my local schools a couple of years ago, about a year after we passed the welfare reform, and we were talking to the teachers after school.

One of the teachers said, Of all of the things that have been done since you went to Washington, GIL, I think the best thing is this welfare reform.

I said, Really? Tell me about that.

She said, Well, let me talk about one of my students and let us call him Johnny. All of a sudden Johnny started to behave better. He was a better student. He was a better kid. He carried himself better. Everything about Johnny was better.

So finally one day the teacher said to Johnny, Johnny, is there something different at your house?

Johnny said, Yeah. My dad got a job. We sometimes forget that a job is more than the way one earns their living. A job helps to define their very life, and when the breadwinner of a family is unemployed and on a government welfare program, it not only affects the attitude of the breadwinner, it affects the attitudes of everyone in that family.

Mr. KINGSTON. I think that as we talk about welfare reform, and as the gentleman said it is about people and giving people opportunities, it is not about taxes, it is not about saving dollars but there are really three legs to the stool. One is for those who are able and capable, able-bodied to work. The other one is the single mother with transportation needs, health care needs, day care needs, education needs, housing needs. The third leg, though, is something very important and the gentleman just touched on it when he talked about little Johnny, and that is Dad.

Our welfare system for years has been geared under the premise that if Dad is around, then one does not qualify for public housing; they do not qualify for the health care benefits for their children. What we are doing now under the leadership of the gentleman from Connecticut (Mrs. JOHNSON) is a great Fatherhood Project, saying to the kids, in some sectors of society it is as high as 70 percent of the children who are born without fathers at home, we are saying we want to bring their dad back because if we bring their dad back, the teenage dropout rate will go down; the drug usage rate will go down; the grades at school will go up and the teen pregnancy will go down.

I think that is the kind of common sense legislation that we need to do, not just say, okay, we did welfare reform, now we are through; but to go back and say, now look the father has to be in the picture. When 70 percent of the kids are born without dads at home, they end up on welfare. Dad has to be brought back. I think that that is one of the keys.

Mr. GUTKNECHT. In many respects what we have done since 1994 was to reverse sort of the unwritten rule of Washington, which had become almost an epidemic; and the unwritten rule was that no good deed goes unpunished. If families stayed together, as the gentleman said, they got punished. If people worked, they got punished. If they invested, they got punished. If they saved, they got punished. If they created jobs, they got punished.

If one thinks about that, that was a perverse incentive. It should be no surprise that the welfare system particularly was destroying the work ethic, was destroying families, was encouraging dads to leave the household. It was the most perverse thing.

The good news is we have begun to reverse those perverse incentives. As a result, I think we are not only going to save, quote, money we are going to save families; we are going to save children from one more generation of dependency and despair.

Mr. KINGSTON. Getting back to this in just a second because the bill of the gentleman from Connecticut (Mrs. JOHNSON), which will be passed by this

House, it has already been passed and we have another version we are going to consider, I hope, next week; but I have been involved with the Georgia Fatherhood Project with the director named Robert Johnson, and then locally Robby Richardson, whose wife, Annette, works with us, he is the Savannah coordinator of it, they invited me to one of their meetings to talk to the men who are 23, 24 years old who have said when I was 19 years old, I was irresponsible and then the system kept pushing me out and pushing me further out the door. I made a mistake or two, but I could not get back in because society kept shutting the door on me.

Now through this fatherhood project I can come back in and get my high school diploma, maybe get some college credits, get some vocational learning, learn a skill, get my job; and it is not necessarily the job I want, but it is the entry level job and then to get to the next level of the ladder.

These guys are talking about I went four years without seeing my little girl, and now I am seeing her again, and I am part of her life; I do not have to hide from the Government to do this. Mom is in on it, too. It is win/win for society; win/win for the mom; win/win for the dad. But, more importantly, it is a win/win for that little girl.

SENIOR CITIZENS SHOULD BE ABLE TO BUY THEIR PRESCRIPTION DRUGS FROM OTHER COUNTRIES

Mr. KINGSTON. The gentleman has been a leader in something that I want to talk about in terms of why not the best and in terms of common sense legislation, and that is the fact that our Food and Drug Administration has prohibited our senior citizens from buying drugs, prescription drugs, medicine, in Canada, which is sold at a lower price than it is in America.

I have a chart with some of these price differences on it, but I thought the gentleman might want to explain that because I think it is so important to our seniors and to the family members.

Mr. GUTKNECHT. I thank the gentleman for allowing us to talk about this tonight. Actually, it all started several years ago at a meeting with some senior citizens at one of my town-hall meetings, and they started talking about the differences between what prescription drugs sold for in the United States compared to what they sell for in Canada, in Mexico, in other countries in the world. So I began to do some research and began to do some work, and I came to the realization that they were in fact telling the truth; that there was a huge difference.

What the gentleman has next to him there is a chart based on some information that we got from the Life Extension Foundation. These actually compare some of the prices of drugs between what the average price is in the United States. As a matter of fact, I

might say that those prices on that chart are probably about a year old now. They are actually probably worse today in terms of the actual prices, but I want to pick out a couple of them there that are important to my family.

The first one is Synthroid.

Mr. KINGSTON. Let me look at Synthroid here. Synthroid, why does the gentleman maybe tell us what it is used for. In America, our American citizens have to pay \$13.84. In Canada they can get it for \$2.95.

Mr. GUTKNECHT. Let me clarify that. It is actually in Europe. Those are all European prices. Now the price in Canada, I believe, is about half what it is in the United States. The point is, it is even cheaper in Europe.

Now, Synthroid is a drug that my wife takes because she has a goiter, an enlargement of her goiter, and many Americans have to take that drug. As long as she takes her drug, she has no medical complications because of that. So it is a wonderful drug, and we are certainly appreciative of that drug and that it is available.

We can afford the \$13.85 or whatever the price is here in the United States. That does not really break us, but it does begin to bother when it has to be taken all the time. Literally, she has to take that drug probably for the rest of her life.

When one looks at the differences between what the Europeans pay for exactly the same drug, made in exactly the same plant, under exactly the same FDA approval, one begins to ask the question, why is it the world's best customers, the Americans, pay the world's highest prices?

Mr. KINGSTON. Let us look at Prozac. Prozac is \$36.13 in America. In Europe, it is \$18.50, and I would suppose in Canada maybe it is \$25.

Mr. GUTKNECHT. Somewhere in there.

Mr. KINGSTON. People can go to Canada and buy it if they live in Maine or Michigan; it is ready access. It will not really help us much in Georgia, but the fact they could get it, and they should under the North American Free Trade Agreement. Free trade means free trade for anything that is a legal product, and yet they cannot get it.

Now, the legislation of the gentleman which was passed by the Republican Congress 2 weeks ago stops this practice, does it not?

Mr. GUTKNECHT. Well, it begins to open the door. It is not a complete solution.

Mr. KINGSTON. It stops the practice of not being able to buy the same drug for a cheaper price in Canada?

Mr. GUTKNECHT. We begin to open the door. What happens right now, to try and explain what happens, for example, and let me take another drug on that list, Cumadin, that is a drug that my 82-year-old father takes. The average price in the United States is over

\$30. The price in Europe for the same drug is \$2.85. What happens sometimes is people are traveling, and they happen to have their prescription along with them; they are traveling perhaps in Italy and they realize they are running short on their Cumadin. It is a blood thinner. It is very commonly prescribed. They go into a pharmacy and they buy it; and when they convert the lira to dollars, they realize that it was less than \$3.00. That is 10 percent of what they pay back in the United States.

So when it is time to renew that prescription, some people have said, I have the phone number of the pharmacy there in Rome. Maybe what I could do is just give them a call, and see if I could get my prescription refilled and have them ship it to me.

What happens is, and the gentleman has it behind him there, there is another chart, what our FDA does when that drug comes into the United States, even though it clearly is the same drug, made by the same company in the same plant, what our own FDA does is they send a threatening letter to that senior citizen or to any citizen, as a matter of fact, who happens to be importing drugs, and this letter is one of the most threatening letters.

It says, "It appears that you are violating drug importation laws and that you are importing a drug that is illegal in the United States," even though it says clearly on the carton that this is Cumadin or this is Prozac or this is Premarin or whatever the drug happens to be.

□ 2000

So it is clear to everyone what that drug is. As a matter of fact, the FDA has the right to actually test that drug.

But beyond that, it strikes me that it is outrageous because the burden of proof right now is on the individual to prove, in fact, that it is a legal drug. So what my amendment does is it reverses the burden of proof so that the FDA must now prove that that is, in fact, an illegal drug.

Now, in doing so, what it does is it changes everything. It begins to reverse the process so that it will be virtually impossible for the FDA to send these threatening letters to consumers who are abiding by the law, have a legal prescription, and are importing legal drugs into the United States. And when that happens, markets work. We have a world market price for oil, we have a world market price for wheat, we have a world market price for automobiles. And we should not allow our own FDA to stand between American consumers and especially American seniors.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, it is common sense, if the gentleman will yield, 86 percent of our seniors take at least one

prescription a year, and the average senior consumes about 18 prescriptions each year. The average cost for the drugs is around \$1,000 annually, or about \$80 a month. Mr. Speaker, 44 percent of those seniors that are having to take or buy their own drugs have an income of less than \$10,000 a year. So one of the things that we have done, not just pass the "Gutknecht Law" in terms of allowing free commerce between two nations who do have free commerce and are trading back and forth, but we have also passed a prescription drug benefit for Medicare.

The important thing is that it reduces the average cost of prescription drugs by about 39 percent, it gives seniors still the option to buy it where they want, it does not endanger Medicare, and it does not come between the doctor-patient relationship, and that is something very important.

Mr. Speaker, one difference that we have between the Republican plan and the President's plan is, we are saying this affects about 30 percent of the seniors on Medicare. They do not have prescription drug coverage. The other ones, about two-thirds do, either from their Federal retirement program or from the program that they were in in the private sector. But what we are saying is, because of that, we do not want to pick up Ross Perot's prescription drug charges. That is common sense.

Now, the President wants it universal, which has a great ring to it, but when we do that, we buy prescription drugs for people who do not need that benefit. That is not quite the American way to subsidize somebody who does not need subsidizing.

So we are trying to work this out with the White House, but I say to my colleague, I want the best plan to prevail. Prescription drugs is not a partisan issue. I want the best of the Democrat ideas in the House, the best Democrat and Republican ideas in the Senate, the best ideas from the White House, and let us put grandmother's prescription drug issue first and not politics.

Mr. GUTKNECHT. Mr. Speaker, without being overly political, though, I do have to say this: This administration has had 8 years to deal with this issue and what they have given senior citizens most are these threatening letters. I mean, hundreds of thousands of seniors have received these threatening letters from our own FDA. That is not the way to deal with this issue.

And let me also point out, if we could put the other chart up, so we can talk a little bit about this, what we have said, what I have said and I know the gentleman has joined me on this both on the agriculture appropriations bill and some others, what we have said is, if we do not deal with this price problem, because the real problem for seniors is price, when we have drugs like

Prilosec, for example, that sells for over \$100 here in the United States, sells for about \$56 in Canada, the same drug sells in Mexico for about \$17.50, the average price in Europe for the same drug is about \$39.25, the problem is that over the last 4 years, prescription drug prices have gone up by about 60 percent.

When we look into the eyes of some of the seniors at our town hall meetings and they say, I can afford the price of prescription drugs today, now; it is not easy, but when we look at how much they are going up every year, I do not know if I will be able to afford them in another 2 years. The problem is, if we do not deal with the price side of that equation, we will never be able to catch up just by pouring more Federal taxpayers' money at this problem.

As one person put it, I think, very accurately, if we think prescription drugs are expensive today, just wait until the Federal Government provides them for free.

So we have said that we have to deal with this problem from both sides. We have to open up markets so that Americans have access to market prices for drugs, world market prices for drugs; and secondly, we have to provide a prescription drug benefit as part of Medicare as an option, if people choose it, so that it is affordable, available, and that people have choices. That is the plan that we are working on.

I think if we attack the problem from both sides of that equation, we can make certain that every senior has access to the drugs that they need at affordable prices that will not bankrupt them now or in the future. I think that is the right prescription drug plan. Frankly, I am prepared to debate that with anybody in front of any audience, anywhere in the United States, because I think once people have the facts before them, they will see that the plan that we are trying to put together is superior to what the President is talking about.

SAVING SOCIAL SECURITY AND RESPONSIBLE SPENDING

Mr. KINGSTON. Mr. Speaker, I appreciate the gentleman saying that. The other thing along this line in terms of a safe retirement is Social Security. The gentleman mentioned it earlier, but to think that this House, for 40 years, routinely would take any surplus in the Social Security Trust Fund and spend it on roads and bridges is just outrageous to think about.

In 1999, in January, during the President's State of the Union address, standing right behind the podium where I am right now, he made the statement, let us save 60 percent of the Social Security surplus; i.e., let us spend 40 percent. And we on this side of the aisle said, no, Mr. President, we are not going to do it. We are going to protect and preserve 100 percent of grandmother's pension plan, because there is

no business in the world that can mix operating expenses and a pension plan. At the time, everybody said yes, you all are talking a good game, but you are not going to do it. Well, we did do it. Not only did we do it for 1999, but we did it for the year 2000, and we will do it for the year 2001. The reason why that is important is once we have set the precedent, we have that firewall.

In addition to that, I believe we could go another step and say, let us put it in a lockbox. Just putting the money aside is not good enough, let us put a lock on it so that in order to break that sacred implied promise, that sacred practice, let us say we have to vote. That would make it really impossible for people to frivolously spend this hard-fought-for Social Security surplus.

Now, one reason why we know we need to do all of these things is because Americans are working their tails off. They are working harder than ever, and we need to protect their money and spend it like we spend our own money.

Mr. Speaker, back in Savannah, Georgia and Glennville, Georgia and Hinesville, Georgia and Brunswick, Georgia, what my constituents do is, if gas is \$1.47 at one pump and it is \$1.42 down the street, they will drive that extra block to get the \$1.42 and pump it themselves, even if they are wearing a coat and tie. If they need a new suit, they wait for the sales when suits are marked down, and if we need to wait until the fall to buy the spring outfit or the spring to buy the winter outfit, that is what they are going to do. If they are buying a pair of jogging shoes, they will wait until they are on sale with a discontinued brand. If they buy some Kellogg's Cornflakes, they wait until they have the 50 cents off coupon. That is how American consumers spend their money, and that is how we should spend their money. We should follow that example in everything we do.

Mr. GUTKNECHT. Mr. Speaker, talking about coupons, sometimes we need to be reminded of this here in Washington, that every Sunday, families sit around their coffee tables and their kitchen tables and they clip over 80 million coupons out of the Sunday paper, worth an average of 53 cents, and that is how they balance their budgets every single week. They watch their pennies.

Now, we still have an awful lot of waste in the Federal Government. I will not be one to say that we do not have waste. But we have much more accountability, and I think we have less waste today than we have had in the last 10 years.

Mr. KINGSTON. Mr. Speaker, I want to say this. My wife has one of the most important jobs in America. She is raising John, Betsy, Ann and Jim Kingston, who are all at home and we are glad to have them there, but she clips

those coupons every Sunday and she goes through the two for ones and the 30 cents off and the good until next month, and she reminds me every now and then, last month I saved \$13.33 in coupons, or this month I am up to \$27. She asks me if she needs to report that every now and then jokingly, and I am afraid that if Uncle Sam knows that if we are so thrifty, that he will require it.

SIMPLIFYING THE TAX CODE

Mr. KINGSTON. That is another reason why, in this Republican Congress, we have passed a Taxpayers' Bill of Rights, so that if the IRS comes to your door, you are no longer guilty until you prove yourself innocent through your lawyers and your accountants and 7 years of records; you are presumed innocent.

A question that I ask people in coastal Georgia on occasion is all right, now, look, you leave here today and let us say you leave the Rotary Club today and you walk out and you remember for some reason you pulled your wallet out of the car and you put it on the hood, or your purses, and you meant to pick it up, but in the flurry of locking the car and picking up your papers, your briefcase and all that and getting to your meeting on time, you forgot. You walk out and you realize, I left my wallet on the car and it is gone. All your credit cards, all your cash, everything else. That is choice number one, losing the wallet. Choice number two is you do not lose your wallet at all, you just come home and you are going through your mail at the end of the day and under that letter from Aunt Gladys and from the Visa to pay your bill is a little friendly calling card from the IRS that says, we have chosen you randomly to be audited.

Now, you are a hard-working, tax-paying American. What do you want, to lose your wallet with all of your credit cards or to be audited by the IRS? Most people, regardless of how conscientious they have been paying their taxes, filling out the forms, getting an accountant to do it, maybe, they would rather lose their wallet than be audited.

Mr. GUTKNECHT. Mr. Speaker, it is an incredible tragedy in America today that the IRS knows more about one's personal finances many times than one's spouse.

Which leads me to the next point. I hope we have made some progress in terms of simplifying this Tax Code. But it is very small progress. I would hope that in the next Congress, with perhaps a different leadership at the other end of Pennsylvania Avenue, we can get very serious about simplifying and making this Tax Code much fairer. There are several things we could do. But it really is amazing that Americans even allow this system to survive.

When we think about what Americans did back at the beginning of this

country, we started throwing tea in Boston harbor because the king wanted to put a penny per pound tax on tea. I mean that outraged the American people. Today, we allow an IRS to continue to look into every nook and cranny of our personal lives, and if we make a mistake, even to the tune of \$1, it puts a tremendous burden on the American people, and it is simply wrong.

Mr. KINGSTON. Mr. Speaker, did the gentleman know that the Tax Code contains 5.7 million words. Now, that is eight times as many words as the Bible. One thing they do have in common is the Tax Code gives lots of instructions, but the Tax Code gives very little inspiration and zero forgiveness. In terms of the IRS laws, there is 101,200 pages of IRS laws and regulations. Just to comply with this Tax Code, our American taxpayers spend about \$250 billion each year paying the H&R Blocks, paying the accountant down the street, the local folks, paying the lawyers or whatever, businesses, \$250 million. To give my colleagues an idea, for our Commerce, State and Justice bill that has a lot of our drug enforcement money, we spend about \$35 billion on that. So we have \$250 billion to comply with taxes, not to pay taxes, but to comply, and yet to fight drugs, \$35 billion. It is absurd.

Mr. Speaker, in terms of the amount that we take, Americans today spend about 9 percent of their income on food, about 4 percent on clothing, unless one has teenagers, then it spikes well into about 20 percent. My daughter told me, she said, "You are a horrible dresser."

I said, "You are right, but I was not this way until you were born and particularly since you turned 13." I tell her, I said, "You know, I still dress better than my dad does." She does not give me any credit for that, but he is recovering from raising four kids himself.

Now, on housing, we spend about 16 percent, on transportation, about 7 percent, and yet, on taxes, the two-income family, 39 percent of our income goes to taxes.

□ 2015

We struck a blow for that here in the last couple of weeks, another example of the "No good deed goes unpunished."

Most people were unaware until just a few years ago that literally hundreds of thousands, if not millions of American couples, paid extra taxes, in fact, pay extra taxes, simply because they are married. In my congressional district alone, we have a study that says that there are 70,000 couples that pay extra taxes just because they are married. There is the marriage penalty.

It works out, the amazing thing is, it works out to something like \$1,400 per couple that they pay in extra taxes. That is just not bad tax policy, that is

bad family policy, and if we think about it, it is fundamentally immoral.

A couple of years ago at one of my town hall meetings I had an older couple come up to me after the meeting. They said, you have to do something about this marriage penalty thing. I said, really? Tell me about that. They said, we are thinking about getting married, but we have figured it out with our accountants and we would be penalized to the tune of over \$1,300 a year just because we were married.

After they explained that to me, I said to myself, the Federal government should not discourage marriage. We all know that marriage and strong families are the glue that holds this society together. Yet, we have a system right now where hundreds of thousands of couples around the United States that are married pay extra taxes simply because they have a wedding certificate. That is simply wrong. This Congress is sending a very clear message to the administration and to the American people that we intend to change that.

Mr. KINGSTON. About the marriage tax penalty, I have found in my district that the Democrats and Republicans are united on that. There are 25 million people paying absurd taxes. People are in favor of it.

Another tax decrease this House has passed is the Spanish American War tax. It is interesting, because I say with great pride, General Wheeler, who led our troops over there, and the Rough Riders with Theodore Roosevelt, actually one of his descendants lives in Savannah, Spencer Wheeler.

General Wheeler was a Member of Congress, and the President actually called him out of Congress to lead our troops in Cuba. What is interesting, I have talked to Spencer Wheeler, a doctor in Savannah, about it. I said, there is a tax that is still around that helped finance the Spanish American War, and it is a little tax on our telephone bills; not a huge tax, but it was earmarked or it was implemented for a certain purpose, it was earmarked for that purpose. But according to my history, we have been finished with the Spanish American War a long time. Yet, only in Washington do these things live on and on forever.

We have passed that bill. I think the Senate is going to pass it. I hope the President will sign it. Again, it is common sense, kill the Spanish American War tax. We are finished with it.

Mr. GUTKNECHT. On the tax side, it all fits with the total budget plan. I only wish that he were here tonight. I remember so many nights doing special orders with Congressman Mark Neumann of Wisconsin. He has left us now, he decided to run for the other body, and now he is back in the private sector and doing quite well.

I remember doing special orders and talking about, if we could get Congress to limit the growth in Federal spending

to roughly the inflation rate, he had these models, he was a former math teacher, and he showed us with charts what would happen, how we could balance the budget, pay down debt, make certain that every penny of social security and Medicare went only for social security and Medicare, and we could provide real tax relief to the American people.

In fact, what he said is if we did those things, if we could limit the growth in Federal spending to roughly the inflation rate, that we could pay off the national debt in 20 years.

Americans have always loved big dreams. In fact, Ronald Reagan said, "America is the place where we love to dream heroic dreams." That has been the history of this country. What a great dream. What a great dream, to say that we are going to leave this country to our kids debt-free. The truth is, it can be done. We are on the path to do that today.

Part of the reason is when we first came here, when I first came here, Federal spending was growing between 6 percent and 8 percent. In fact, years before that Federal spending was actually increasing by more like 10 percent and 12 percent per year. Now we have reduced the rate of growth in Federal spending so this year, if we can abide by the spending agreement that we have with the Senate, we will limit the growth in total Federal spending to only about 2.8 percent. That is at a time when we are estimating the inflation rate will be something like 2.9 percent.

If we can do that, and that is going to be tough in the next several weeks because all of these groups are descending on Washington and they want more money for this and that program, and it is going to be tough to limit that growth in spending. But if we do that, we can balance the budget, pay down the debt, strengthen social security, but most importantly, we can allow families to keep more of what they earn.

The interesting thing is, when we allow families to keep more of what they earn, they spend it a whole lot smarter than we spend it on their behalf here in Washington. They get more value for that money, and they help grow the economy. A growing economy makes everything easier.

Mr. KINGSTON. Another part of that is not only passing the money on in our Nation from one generation to the next generation, but from family to family. The death taxes that rob so many of our families, our farmers, is a factor.

I live in a growth area, and it is not unusual for me at all to see a widow who has bought the family property on Whitmarsh Island on the Intercoastal Waterway, bought it in the 1960s for \$30,000, and after 20 years paid it off. Her husband is dead, she is on a fixed income, and now that property is worth

\$700,000, \$800,000, maybe \$1 million, but she is still on a fixed income and does not want to sell, does not want to move, and does not want to develop. Yet, our property taxes are pushing her out, and then our estate taxes are. If she wants to pass that on to the next generation, the next generation is going to incur a big tax on it.

Here is a woman who is really independent, not on public assistance, who has money in the bank or an asset that if she needs emergency long-term care, if she has a catastrophe in her family, she has something. We are saying to her, you have to sell that cushion, because if you die your children are going to have to pay a whopping tax on it. We run off family farms because of that, and we make it impossible for small businesses to go from generation to generation.

One of the things that is real important now is women own small businesses in unprecedented numbers. As they find out, hey, I have worked for the last 20 years to build up this company and it is worth a little money now, \$1 million, \$2 million net worth of a business, and I want to pass it on to my daughter, but guess what, Uncle Sam is saying they cannot do it.

We have passed the end of that death tax penalty. There again, we have passed a version, the Republicans have, but we are willing to work with the President on it. If the President does not want to have too many wealthy people, I think wealth is something that in Arkansas, at least his school taught him that that was evil, that people who have been successful are not the people who have enjoyed the American dream but people who seem to be destroying the American dream.

There seems to be this constant class warfare. The idea that you work hard all your life, you build up an estate, you build up wealth, you want to pass it on to your kids, I think is part of being an American. So we have passed estate tax relief.

Again, we are willing to compromise with the President. We want to do what is best for America.

Mr. GUTKNECHT. Let us not be too willing. The truth of the matter is, no family should have to visit the undertaker and the IRS in the same week. I do not think most Americans realize that very quickly, and it does not take much of a farm in my part of the world to quickly be worth \$2 million, perhaps \$3 million, that has been the family farm perhaps for a couple of generations, all of a sudden the patriarch dies, and in a very short period of time the family could have to cough up upwards of 55 percent. So I hope we are not too willing to compromise.

I agree with the gentleman, we have to be willing to meet the President halfway. Frankly, I do not want to meet the President halfway going in the wrong direction. Frankly, I think

it is time for us to say, this is not the government's money.

At some point, I think every one of these estates, every one of these businesses, we have to be honest, they have been paying taxes all through the years. They have paid sales taxes, they have paid income taxes. As the gentleman mentioned, they have paid property taxes.

For the Federal government to step right in and say, oh, by the way, we want upwards of 55 percent of the value of that estate, I am willing to compromise and I think we are willing to meet the President halfway on this, but I think the principle that families should not have to meet the undertaker and the IRS in the same week is a very important principle.

As we were told this morning at a breakfast meeting we were at, that is not the Statue of Fairness, that is a Statue of Liberty. The people who came here came here for liberty and freedom and opportunity. I hope we will always remain a society that understands that the three magic words are hope, growth, and opportunity.

We cannot make things completely fair. People came to this country so they could create their own fortunes, so they could take their chance at life, so they could use their God-given skills and create wealth for themselves, for their families, and in many cases, for hundreds, perhaps even thousands of other people. That is the magic of America, where ordinary people are allowed to do extraordinary things.

We have to make certain that we have a government that respects the fact that people have a right and an opportunity in America to make the most of it.

Mr. KINGSTON. I think the gentleman is right. That is also one reason that we are investing in fighting the drug war, because our children need to be safe from drug pushers at their school, and we need to pass this legacy on to the next generation.

It is odd, as much money as a company like Nike or Coca-Cola spend advertising, that with drug dealers, there is no advertising plan, no business cards, you cannot tell everybody who you work for, no pension plan, no corporate logo. Yet as I go to the school districts in the 18 First District of Georgia counties and I ask in schools, private or public, rural or city, "How many of you kids can get drugs in the high schools by the end of the day if you wanted to," in just about every school, 50 percent of the hands go up.

That is too many. We have got to stop it. I would like to ask that question one day and see zero hands go up. But that is one reason why we are pushing for drug interdiction, keeping the stuff from even coming to our counties; drug enforcement, that if you are caught selling this deadly poison to our children, you are going to go to

jail; and drug treatment. To that kid, that user, who says, I made a mistake, now I am addicted, I need some help, we want to give them a lifeline.

Mr. GUTKNECHT. We are just about at the end of our time for this special order, but I am really happy we have had the opportunity, and I was delighted our colleague, the gentleman from Oklahoma, could join us.

Because really, in many respects, this country is a much better place than it was 6 years ago. Instead of a future of debt, dependency, and despair, I really think we are giving to our kids a future of hope, growth, and opportunity. Instead of having huge deficits piling up bigger and bigger every year, we are now talking about surpluses. We are not talking about leaving them a legacy of debt, but perhaps actually paying off all of the debt held by the general public.

We have welfare reform so we encourage work and personal responsibility. We want to allow families to keep more of what they earn, because we know at the end of the day the magic of America is not here in Washington, D.C. It really is back there in places like Savannah, Georgia, and Rochester, Minnesota, in Kasson, Minnesota, where real people, ordinary people, are allowed to do extraordinary things.

That is the magic of America. That is the magic we cannot afford to lose, because if we continued down the path we were on 6 years ago of higher taxes and bigger debts, more government regulation, and even more government interference in the activities of business, we were absolutely guaranteed that we were on a downhill spiral, not only for the economy but for our society.

The good news is we are moving up now, we are headed in the right direction. Taxes should be coming down. The deficit is coming down. Spending is under control. We are encouraging work and personal responsibility. I think that is the future that we want to leave to our kids. That is a legacy that I think we can all be proud of.

I want to thank the gentleman for joining us tonight. If the gentleman from Georgia (Mr. KINGSTON) has any closing words, I yield to the gentleman.

Mr. KINGSTON. Mr. Speaker, I do want to say this. We lost a great United States Senator this week. It is tragic for all parties.

In discussing him, I learned a lot from Senator PAUL COVERDELL. One thing I learned, although he was a Republican and was a great, key member of the Republican team, he always showed us by instruction, never put politics over policy.

What we are about here is good policy. Our hands are open to the White House, to the Senate, to the Democrats, to Republicans of different philosophies, to let us all put our policies first for the good of America.

□ 2030

MEDICARE PRESCRIPTION DRUG PLAN

The SPEAKER pro tempore (Mr. SHERWOOD). Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight, I would like to start our 1 hour Special Order on the Democratic side by talking about the need for a Medicare prescription drug plan. This is an issue that I have taken to the floor many times to discuss. It is the highest priority for the Democratic Party and those Democrats in the Congress both in the House and the Senate.

I noticed that my colleagues on the other side who spoke before me mentioned the issue of drug prices and how drug prices have increased significantly and the disparity between drug prices here in the United States versus Canada or Mexico or other countries.

But I have to be somewhat critical of the Republican leadership because the fact of the matter is that, on many occasions over the last few weeks, Democrats have tried to bring a Medicare prescription drug bill to the floor to adopt and have the Congress adopt a comprehensive package that would include prescription drugs under Medicare for seniors and the disabled.

On every occasion when we have tried to do that, and there have been at least two so far in the last few weeks, the Republicans have stopped the effort, and, instead, put forward a plan that seeks to basically give some money to seniors to go out and try and see if they can get an insurance company to sell them a policy that would cover prescription drugs, not under the rubric of Medicare, in a fashion that the insurance companies have already indicated that they would not sell such policies, such drug-only policies.

As a result, I have been very critical of the fact that the Republican leadership really does not want a Medicare prescription drug plan; they do not want seniors seriously to see enacted into law by the President a plan that will actually provide seniors with prescription drugs.

Instead of just talking about this sham insurance policy where one goes out and sees if one can buy an insurance policy, which people can try to do that anyway today and find that they will be largely unsuccessful because the private market is not interested in offering drug only insurance policies.

So I want to talk a little bit about the prescription drug issue tonight. I want to also point out that, even though my Republican colleagues talked about prices and the rising prices of prescription drugs, that their legislation, their prescription drug legislation does not address the issue of

price, whereas the Democrats have tried to do that.

They have tried to point out that, in the same way that there is a huge disparity between the price of prescription drugs here in the United States versus Canada, for example, there is also a huge disparity between the cost of the price that seniors who are in HMOs or employer pension plans, seniors that are part of an existing prescription drug plan through their HMO or in some other way where they are collectively able to negotiate for a cheaper price tend to be paying significantly less than seniors who do not have a prescription drug plan because they are not in an HMO or they are not covered in some way and have to go to the drug store on their own and just buy the prescription.

There is a huge price disparity here in the United States between what seniors pay who do not have coverage as opposed to seniors who happen to be part of a larger group through their HMO or in some other way where they can bargain for a better price.

The Democrats in our Medicare prescription drug plan, which we have tried to bring up, which the Republicans will not let us bring up, we address the issue of price discrimination by basically allowing Medicare and the Medicare program, HCFA, which is the agency that administers the Medicare program, to actually be a bargaining agent through regional benefit providers to go out and get a cheaper price for seniors so that the disparity, the price discrimination would no longer exist in this country, and we would not have this problem where many seniors pay a lot higher prices than a few select seniors.

I also wanted to mention that this evening I am going to be joined by the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentleman from Texas (Mr. RODRIGUEZ), both who have been leaders on health care issues in general, and who are going to talk about mental health issues and children's mental health in the context of the special order that we are going to have for the next hour or so.

Mr. Speaker, I yield to the gentleman from Texas (Mr. RODRIGUEZ) briefly. I know he was very concerned about this price discrimination issue.

Mr. RODRIGUEZ. Mr. Speaker, let me, first of all, thank the gentleman from New Jersey for allowing me to say a few words.

I was very pleased to see that, at least from the Republican perspective, our fellow colleagues before were talking about the price disparities that exist between this country and other countries on the same prescriptions.

That same disparity exists in this country when it comes to the price that that senior citizen pays here in the United States and what that HMO individual pays on that same prescription. So that disparity not only exists